

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

FRONTIER AIRLINES, INC.,

Plaintiff,

v.

AMCK AVIATION HOLDINGS IRELAND
LIMITED, ACCIPITER INVESTMENT 4
LIMITED, VERMILLION AVIATION (TWO)
LIMITED, WELLS FARGO TRUST COMPANY,
N.A., solely in its capacity as OWNER TRUSTEE,
and UMB BANK, N.A., solely in its capacity as
OWNER TRUSTEE,

Defendants.

20 Civ. 9713 (LLS)

DECLARATION OF PAUL SHERIDAN

Paul Sheridan declares and states as follows:

1. From 2019 to April 2022, I was the Chief Executive Officer of AMCK Aviation Holdings Ireland Limited (“AMCK”). I am signing this declaration in support of AMCK’s motion for summary judgment in this matter. The statements in this document are based on my personal knowledge and, where indicated, my knowledge of internal records from AMCK.

2. AMCK was an aircraft leasing company located in Ireland. At the beginning of 2020, AMCK, through its affiliate and certain owner trusts, leased 14 Airbus A320 family aircraft to Frontier Airlines, Inc. (“Frontier”). AMCK was also the servicer of these leases.

3. On March 16, 2020, AMCK and Frontier entered a Framework Agreement (the “Framework Agreement”) regarding six additional aircraft. These six aircraft were scheduled for delivery from Airbus to Frontier in 2020 pursuant to a separate purchase agreement between Airbus and Frontier. The Framework Agreement provides for the purchase of these aircraft by an affiliate of AMCK and for the lease of these aircraft back to Frontier. The first such “sale and leaseback” transaction took place on March 16, 2020.

4. Immediately after the delivery of the first aircraft under the Framework Agreement, Frontier requested a deferral of rent on all of the aircraft serviced by AMCK. Frontier's request triggered a series of negotiations between the parties over the terms of a potential rent deferral. Throughout these discussions and in line with our practice with other airlines requesting deferrals at the time, I expected that any rent deferral arrangement would be documented in writing. The parties never entered a written agreement concerning rent deferral.

5. AMCK made various proposals to Frontier regarding its rent deferral request, including regarding potential concessions to be made by Frontier. One of the concessions proposed by AMCK was that any rent deferral would be contingent on Frontier obtaining a six-month delay from Airbus for the remaining aircraft deliveries under the Framework Agreement. In other words, in exchange for deferring Frontier's rent payments on 14 of the existing leases, deliveries under the Framework Agreement would be paused for six months. I explained this proposal in an April 3, 2020 email to Frontier's CFO Jimmy Dempsey. Attached as Exhibit 1 is a copy of that email.

6. Frontier did not agree to AMCK's proposal. This is reflected in an email Mr. Dempsey sent me on April 6, 2020. A copy of that email is attached as Exhibit 2.

7. Later on April 6, 2020, Mr. Dempsey sent me another email to ask for a short-term deferral of rent payments due that day. A copy of that email is attached as Exhibit 3.

8. After receiving Mr. Dempsey's email, I participated in an April 6, 2020 phone call with Robert Fanning of Frontier and Jane O'Callaghan, AMCK's Chief Commercial Officer. On the call, I told Mr. Fanning that AMCK would be willing to grant Frontier a grace period of 10 business days to allow them to continue their discussions with Airbus on the deferral of the upcoming deliveries. Shortly after the call, I sent a confirming email to Mr. Dempsey and others at Frontier. A copy of this email is attached as Exhibit 4.

9. Also on April 6, 2020, I provided an email update to AMCK's shareholder regarding this 10-day grace period. A copy of that email is attached as Exhibit 5.

10. Beginning on April 6, 2020, Frontier stopped making its monthly rent payments on the 14 original leases.

11. The next day, on April 7, 2020, I had a phone call with Mr. Dempsey. He proposed a "month-to-month" rent deferral going forward. I understood this proposal to mean that a written agreement would be entered for deferral of April rent, and then another agreement would be negotiated for May rent, and so on. We did not discuss any other terms of the proposal, including the date for payment of deferred rent. I did not agree to this proposal on the phone with Mr. Dempsey, but I equally did not reject his proposal. The next day, I sent an email update to representatives of AMCK's shareholder regarding the April 7 call with Mr. Dempsey. Attached as Exhibit 6 is a copy of that email.

12. I subsequently asked Jane O'Callaghan to send draft documentation for such an arrangement to Frontier for their review. To my knowledge, Jane sent a draft agreement to Frontier, but Frontier never responded with any comments on the draft.

13. Around mid-April 2020, Frontier informed AMCK that it would not be able to get the requested six-month delay from Airbus. For example, Mr. Dempsey told me this in a text message on April 11, 2020 and an email on April 13, 2020. Attached as Exhibits 7 and 8 are copies of those communications.

14. As discussions continued about rent deferral, it was emphasized that AMCK would not purchase future aircraft deliveries under the Framework Agreement if Frontier remained in default (*i.e.*, if any rent remained unpaid). For example, on April 13, 2020, I sent Mr. Dempsey an email expressing this position. Attached as Exhibit 9 is a copy of that email.

15. On April 30, 2020, I sent an email to Frontier with a proposal to defer rent to May 15, 2020 and keeping the Framework Agreement in place for future deliveries. A copy of this email is attached as Exhibit 10.

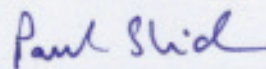
16. Frontier did not agree to the terms in my April 30 email. Mr. Dempsey replied within minutes to express his disagreement and asked for a call. Attached as Exhibit 11 is a copy of that email. Shortly after this exchange, I had a phone call with Mr. Dempsey. Mr. Dempsey again rejected my proposal in the strongest terms. There was no agreement on this call or in any subsequent communications on the grant of any further grace period with respect to the payment of rent under the existing 14 leases and at this date, Frontier had still not paid any of the rents due at the end of the grace period and in the days after.

17. On May 8, 2020, Mr. Dempsey sent two emails to me following up on my April 30 proposal. Mr. Dempsey reiterated his disagreement with my proposal. Copies of these emails are attached as Exhibit 12.

18. Later that day, AMCK terminated the Framework Agreement with respect to future deliveries by providing a Notice of Termination to Frontier. I sent this Notice of Termination by email to Frontier. The Notice of Termination refers to Frontier's non-payment of rent under each of the original leases, which outstanding amounts came to a total of approximately \$4.79 million. A copy of my May 8, 2020 email and attached Notice of Termination is attached as Exhibit 13.

I declare under penalty of perjury under the laws of the United States America that the foregoing is true and correct.

Dated: November 10, 2022



Paul Sheridan